



ARIZONA CORPORATION COMMISSION

4700

UTILITY COMPLAINT FORM

Investigator: Lynn CombsPhone: [REDACTED]Fax: [REDACTED]Priority: Respond Within Five DaysOpinion No. 2007 61795Date: 7/17/2007Complaint Description: 08A Rate Case Items - Opposed
N/A Not ApplicableFirst:Last:Complaint By: Curtis

Walters

Account Name: Curtis WaltersHome: [REDACTED]Street: [REDACTED]Work:City: [REDACTED]CBR:State:

AZ

Zip: [REDACTED]is:Utility Company: Verde West Irrigation(Harold W. Bullard dba)Division: IrrigationContact Name: [REDACTED]Arizona Corporation Commission Contact Phone: [REDACTED]Nature of Complaint:

Curtis R. Walters

[REDACTED]
July 11, 2007

DOCKETED

AUG 03 2007

DOCKETED BY

nr

RECEIVED
AUG - 3 P 12:53
ARIZONA CORPORATION COMMISSION
DOCKET CONTROLArizona Corporate Commission
1200 West Washington Street Phoenix, Arizona
Dear Commissioners:

This letter is in response to a request by Verde West Irrigation of Camp Verde, Arizona for an increase in rates. I have several relevant points to make so that the decision you make is fair to all parties. I would like to inform you that I do have a vested interest in that I am one of the property owners to be affected by your decision. I am not opposed to a rate increase in the small to moderate range, but I am opposed to the amount being requested by Verde West Irrigation [REDACTED] and others. I consider a 140% rate increase based on a \$4,195 operating loss to be a gross miscarriage of the facts involved.

First; the Commission needs to be aware there are 165 property owners involved, of which, there are in excess of 20 property owners who haven't paid for their irrigation water in many, many years. If Verde West Irrigation is operating at a \$4,195 loss, then go after the "dead-beats" creating the problem. I resent you wanting to raise my rates and the rates of all of those who do the right thing and pay their bills, while doing nothing to collect from those who do not. That's just poor business practice on the part of Verde West Irrigation and [REDACTED]. Get an attorney and go after the people taking advantage of all of us. If you grant a large rate increase on the "good guys" who pay their bills on time based on the deficit run up by the twenty plus "slackers"; you will be rewarding the "slackers" and penalizing the "good guys." Given that picture, why the hell do I want to pay for my irrigation when others don't?

Second; the Commission needs to be aware of the poor service that some of us receive by the very people who want more money for giving poor service to begin with. Let me differentiate here. [REDACTED] is a very good person who has been operating this company at a loss for many years to the benefit of all the property owners. She needs some relief.

But, let me now personalize this. I own two lots in Verde West Estates. I have been paying for water on both lots

ARIZONA CORPORATION COMMISSION

UTILITY COMPLAINT FORM

for 28-29 years. I am located at the very bottom of the irrigation pipe in lots [REDACTED] I NEVER get a good flow of water because of all those property owners ahead of me. Several years ago I talked to [REDACTED] about the problem and she solved it by filling the pond twice a day for a short period of time and I was able to get water. Today, I have to run a whirly-bird sprinkler from my well to water lot 51 because my irrigation flow is that bad. I discussed the poor water flow with the

Watermaster, requesting a tap on the Verde West Irrigation pipe for lot 51. I even offered to pay for the tap.

[REDACTED] came out, at my request, to see what the problem was. I even dug the hole to expose the irrigation pipe, bought all the parts to bring water to my property (four feet off the easement), and was told "maybe this winter when the pond is dry." That doesn't help me now, or for the past 28 years... and the irony, I got a bill from Verde West Irrigation, for lot 50 and 51 just yesterday. They can't find time to provide a fix to my problem, but they sure want to coil on time. What's wrong with this picture?

Third; is the problem of having two distinct groups, the upper and the lower, make up the water users group for Verde West Irrigation? We pay the same, but we are NOT treated the same. The Upper group has been receiving irrigation water year-round for years, while my group, the Lower group, receives irrigation water for about 7 months. Huge discrepancy!! We were told at a meeting recently that problem would be rectified, at the same time the Water master is telling me, "maybe this winter when the pond is dry." Well. I'm telling you, the pond had better be "dry" for the Upper water users group as well. I have a BIG problem paying for service for twelve months and receiving service for only seven months when the Upper Group has service for twelve months. Now, Verde West Irrigation is trying to increase my rates to help them get relief for an operating deficit which they helped create by providing water to the Upper Group year-round at their expense and now want me to pay more when I get no benefit. I'm NOT going to pay so the Upper Group can continue receiving water year-round when I can't! H

Fourth; I want to inform you that the Board formed recently (within the past six months) is a sham! I attended the meeting held in the old high school gym. The group of property owners in the stands were asked to vote on a set of by-laws governing the Board, and its duties, but were never given the set of by-laws to read in advance of the vote. When the group requested a chance to read the by-laws prior to voting on them, they were told in essence, "we're your neighbors, you know you can trust us, we don't have the time or the money to run off 165 sets of by-laws so you can read them first; besides then we'd have to call another meeting in a month to vote on them and we can't afford to rent this building again." Those stupid people voted to approve the set of by-laws, having never read any of them. The person elected President. an attorney, quit two weeks after their first meeting because he didn't want to be responsible for those by-laws which contained hidden clauses that gave certain people advantages. The Vice President also quit a week later because he didn't want to be responsible for the same reason.

Fifth; If you people on the Arizona Corporate Commission do your job, you will look into this situation a little deeper. It's not what it's portrayed as.

To summarize:

1. It's true that [REDACTED] has been operating Verde West Irrigation at a loss for many years, and I'm comfortable in paying more if the problems are corrected.
 2. There are in excess of 20 property owners who never pay their irrigation bill, and haven't for many years, some for more than ten years, contributing to the Operating deficit under discussion. When liens are slapped on their property, and that money is collected, the financial picture will look a lot better without any rate increase...
 3. Service is a problem. I'm not talking about the condition of the irrigation system as a whole. I'm talking about my not getting the water I'm paying for, and not getting the cooperation necessary to receive that water. I'm not having any problem receiving the irrigation bill only the water.
 4. Two distinct groups make up Verde West Irrigation; the Upper and the Lower Groups. The Upper water users group receives irrigation water year-round. The Lower water users group receives irrigation water approximately seven months of the year. That's a big discrepancy if we both pay the same amount. In essence, I'm paying more so they can have what I can't...I don't think so!
 5. The recently formed Board is operating under a set of by-laws that was improperly proposed and voted on. Those by-laws also give certain individuals preference. Both, the Board President and Vice- President resigned within one month because of the by-laws and the liability involved with the by-laws.
- I am of the opinion that a small rate increase can be tolerated by the community, but I can tell you that a 140% rate increase will destroy the very group you seek to help in that when the people revolt and refuse to pay,

ARIZONA CORPORATION COMMISSION

UTILITY COMPLAINT FORM

Verde West Irrigation will be operating at still a larger loss, and ultimately forced into a discontinuation of service and ultimately, bankruptcy. This is a poor community of trailers, modular homes, and a few houses, caught in a squeeze, and when people are forced to decide between gas for their automobile to get to work, food on the table, and medicine for the family; irrigation is expendable, especially when we aren't getting the water anyway. You decide. But, you need to decide wisely.

Respectfully,

Curtis R. Walters

CUSTOMER NOTIFICATION

Verde West Irrigation has applied to the Arizona Corporation Commission for an adjustment in rates. The current rates have been in effect since May, 1987. An increase in rates is necessary at this time due to operating and repair expenses increasing significantly over the last 20 years. Based on the Company's unaudited Test Year results, Verde West Irrigation realized an operating loss of \$4,195. The Company is requesting a revenue increase of \$21,000 of total revenues. Please see pages 9 and 11 of the Company's application for the current and proposed rates.

The application is available for inspection during regular business hours at the offices of the Commission in Phoenix * Washington Street Please be advised that the rates and charges ultimately approved by the Commission may be higher or lower than the rates and charges requested in the Application.

Customer input is an important part of the Commission's analysis of the requested adjustment and is a factor in determining whether a hearing will be conducted. Customers should bring to the Commission's attention any questions or concerns related to the Company's Application, including service, billing procedures or other factors important in determining the reasonableness of charges. Customers may have the right to intervene in this matter. Customers wishing to communicate with the Commission, or request information on intervention in the proceeding, should contact the Commission's Consumer Services Section at [REDACTED] (if located outside the Phoenix local calling area) or [REDACTED] in the Phoenix local calling area.

Customers are advised that the Commission may act upon the Application without a hearing. Regardless of whether a formal hearing held, customer comments submitted in writing will be placed in the office file, which the Commission reviews prior to making its final decision on the Application. It is important that customers contact the Commission with 15 days of the receipt of this notice so that the Commission's Staff can consider customer comments and concern in developing its recommendations to the Commission.

End of Complaint

Utilities' Response:

Investigator's Comments and Disposition:

07/17/07 I wrote the customer a letter regarding his opinion - Thanking him for taking the time to share his opinion:

July 17, 2007

Mr. Curtis R Walters
[REDACTED]
[REDACTED]

RE: VERDE WEST IRRIGATION RATE INCREASE

Dear Mr. Walters:

Your letter regarding the Verde West Irrigation (Verde West) rate case will be placed on file with the Docket Control Center of the Arizona Corporation Commission (Commission) to be made part of the record. The Commission will consider your comments before a decision is rendered in the Verde West application.

ARIZONA CORPORATION COMMISSION

UTILITY COMPLAINT FORM

The concerns raised in letters received from customers will assist the Commission in the investigation and review of the rate application. The Commission's independent analysis of the utility and its rate request attempts to balance the interest of the utility and its customers.

Commission Staff is very sensitive to the burden that high utility rates can place on the consumer, and though constitutionally required to allow a fair return to the utility, does everything within its authority to protect the consumer.

Staff appreciates your comments and the interest taken on the proposed rate increase. If you should have any questions relating to this issue, please call me toll free at [REDACTED]

Sincerely,

Lynn Combs
Consumer Service Specialist
Utilities Division
End of Comments

Date Completed: 7/17/2007

Opinion No. 2007 - 61795
